

FISCAL IMPACT STATEMENT ON BILL NO. **H3711, as Amended**

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TO: The Honorable David Thomas, Chairman, Senate Banking and Insurance Committee
FROM: Office of State Budget, Budget and Control Board
ANALYSTS: Allan Kincaid and Beth Campbell
DATE: May 17, 2006 SBD: 2006228

AUTHOR: Representative Cobb-Hunter PRIMARY CODE CITE: 37-17-10
SUBJECT: Medical Plan Organizations

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

A Cost of Federal and/or Other Funds (See Below)

BILL SUMMARY:

The proposed Bill, as amended, amends Chapter 17, Title 37, of the Code of Laws of South Carolina, 1976, relating to the regulation of prescription drug discount cards, so as to enact the Discount Medical Plan Organization Registration Act, providing for registration with the Department of Consumer Affairs of persons and representatives engaged in the sale, marketing, promotion, advertisement, or distribution of a discount medical plan or other purchasing devices.

EXPLANATION OF IMPACT:

Secretary of State's Office

The Office indicates there will be no impact on the General fund of the State or on Federal and/or Other funds.

Department of Consumer Affairs

The Department indicates there will be an additional cost of approximately \$24,900 in other funds to offset the cost of regulation. The agency estimates it will register thirty companies with one representative each. Based on a fee of \$800 per company and \$30 per representative, the agency estimates it will collect sufficient other funds revenue to support the program.

Administrative Law Court

The Agency reports that it would require 1.00 FTE for an Administrative Specialist II at an annual cost to the General Fund of \$37,950 for salary, fringe and other operating expenses. The new position would be used to handle the additional workload from filing the new cases with the Court.

SPECIAL NOTES:

The Board of Economic Advisors is the appropriate entity to address any revenue impact associated with this Bill.

Approved by:



Don Addy
Assistant Director, Office of State Budget